



**SALARY COMMISSION  
CITY AND COUNTY OF HONOLULU  
530 South King Street, Room 202  
Honolulu, Hawaii 96813**

**MINUTES OF THE COMMISSION'S SECOND MEETING:  
FEBRUARY 27, 2018**

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**1. CALL TO ORDER**

Acting Chair Kevin Sakamoto called the meeting to order on Tuesday, February 27, 2018 at 1:30 p.m. in the Council's Committee Meeting Room.

**2. ATTENDANCE**

Commissioners present at the meeting: Kevin Sakamoto; Diane Peters-Nguyen, Guy Tajiri, Gerald Takeuchi, Brian Tamamoto, and Claire Yuen

Commissioner(s) excused from the meeting: Merle Kelai

Commission support staff present at the meeting: Todd Swisher, Legislative Analyst

Commission attorney present at the meeting: Molly Stebbins, Deputy Corporation Counsel

Others present: Gary Kurokawa, Chief of Staff; Donna Y.L. Leong, Corporation Counsel; Paul Aoki, First Deputy Corporation Counsel; Amy Kondo, Counseling and Drafting Division Head (COR); other senior officials of the Department of the Corporation Counsel; Carolee Kubo, Director of Human Resources (DHR); Denise Miyahara (DHR)

**3. APPROVAL OF MINUTES OF JANUARY 30, 2018 MEETING**

There was a motion by Commissioner Tajiri to approve and file the minutes of the January 30, 2018 meeting. Commissioner Takeuchi seconded the motion. There were no corrections. Hearing no objections from the six Commissioners present, the minutes were approved as circulated.

**4. COMMENTS FROM INVITED GUESTS**

Acting Chair Sakamoto noted that, in the time since the previous meeting, the Commission had received written testimony from the City Administration. Chair Sakamoto invited representatives from the City Administration to expand on their testimony and address the Commission.

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Gary Kurokawa, the Mayor's Chief of Staff, summarized the written testimony he submitted to the Commission (filed as MM-20(18)). He spoke in support of the Department of the Corporation Counsel's ("COR") request to raise the Corporation Counsel's salary so that it would be equivalent to the salary of the Prosecuting Attorney. He noted that since the salary of the Corporation Counsel had served as the upper limit of the salary schedule for COR deputies, an increase to the former would be needed to raise the ceiling for the latter. Referring to the table attached to his written testimony, Mr. Kurokawa noted that the gap between the salaries of the Corporation Counsel and Prosecuting Attorney had increased over the years. He insisted that greater compensation was needed to reflect the value COR deputies contribute to the City.

Corporation Counsel Donna Y. Leong thanked the Commission for the opportunity to address the body directly. She introduced senior officials from her Department who had accompanied her to the meeting effectiveness. She then gave a summary of her professional background, noting her responsibilities for recruiting other attorneys in various capacities. She praised the group of deputies who work for COR, emphasizing their particular expertise in municipal law and the breadth of duties they cover. She noted that several deputies had left COR in recent years for positions that commanded salaries 20-25% (higher for University of Hawaii) greater than those they made with the City. While acknowledging budgetary pressures, she stated that the requested increase to her salary would allow her to pay the deputies a more competitive salary and thereby encourage continuity, stability, and retention.

In response to a question from Commissioner Takeuchi, the Corporation Counsel stated that she had 47 deputies and that two more would be joining the Department in Fiscal Year 2019. She added that in recent years she had not requested additional deputies out of respect for the City's fiscal constraints, but that higher agency workloads and a new program required a minor increase in the coming year. In response to a follow-up question from Vice-Chair Tamamoto, the Corporation Counsel confirmed that of the 47 current deputy positions, four were vacant.

Department of Human Resources (DHR) Director Carolee Kubo stated that there were 15 excluded management-level employees that commanded higher salaries than the deputies and/or directors of the City in Fiscal Year 2018. She thanked the Commissions for its efforts in recent years to decrease the percentage of inversions and noted that numbers had also diminished through attrition and retirements. The current inversion rate stands at 7.4%. Director Kubo stated that on July 1, 2018 Unit 13 excluded manager salaries would be increasing by 2.25% across-the-board increase, plus an annual within-range progression ("WRP") of 1.2-2%. She noted that in past years DHR had not requested the WRP increase for appointees and officers, but they felt that, in fairness, it should be taken into account. She further thanked the Commission for the previous year's 5% across-the-board increase and the 8% increase the year before, while noting that Unit 13 managers had received catch-up step movements of 12-16%. DHR's current 5% request is intended to close the gap a bit more and hopefully eliminate the inversion problem over the years.

**5. PUBLIC TESTIMONY**

There was no public testimony.

**6. PRESENTATION OF THE PERMITTED INTERACTION GROUP ("PIG") ON ITS FINDINGS AND RECOMMENDATIONS RELATING TO MODIFICATIONS TO THE SALARIES AND SALARY SCHEDULES OF THE ELECTED AND APPOINTED OFFICIALS LISTED IN SECTION 3-122 OF THE REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU**

Chair Sakamoto noted the duties of the Commission under Section 3-122 of the Charter and listed the positions for which the Commission would ultimately make salary recommendations. He noted that the Commission had voted to form a Permitted Interaction Group ("PIG") at its previous meeting in order to investigate modifications to the salaries and salary schedules of the positions prescribed by the Charter. He reminded commissioners that following the PIG's report, they would be allowed to ask clarifying questions, but per the State's Sunshine Law, deliberation and decision-making could not occur until the next meeting, at the earliest. He then invited members of the PIG- Vice-Chair Tamamoto and Commissioners Tajiri and Takeuchi- to deliver their report.

Vice-Chair Tamamoto reviewed the history of the PIG and stated that it had met twice, on February 13, 2018 and February 21, 2018. The PIG reviewed submissions from DHR and supplemental information requested of COR. Denise Miyahara of DHR and Corporation Counsel Donna Y.L. Leong attended the PIG's meeting on February 21, 2018 to answer questions regarding their requests. The PIG members discussed and deliberated at great length over the written testimonies submitted, as well as the exhibits and subsequent transmittals. They also reviewed collective bargaining and recruitment trends and performed a salary review of similar positions with other counties and State departments. Inversions were also discussed, along with other weighted factors.

Vice-Chair Tamamoto gave the PIG's recommendations as follows: an overall salary increase of 3.5% and an additional 3% increase to the Corporation Counsel. He explained that the Corporation Counsel's salary was not considered adequate compensation for the legal services the position performs.

Chair Sakamoto thanked the PIG for their work and asked if there were any questions. Commissioner Peters-Nguyen noted that the Chief of Staff's testimony had given the differential between the salaries of the Prosecuting Attorney and the Corporation Counsel as a dollar amount rather than a percentage. She stated that she was not sure if the Commission could give increases in dollar amounts or whether it was always stated as a percentage and asked if the PIG had considered equalizing the Corporation Counsel's salary with that of the Prosecuting Attorney. Vice-Chair Tamamoto referred the question to Commissioner Tajiri due to his long experience on the Commission. Commissioner Tajiri cited DHR's historical data, which indicates that salaries have been adjusted on a percentage basis. Denise Miyahara of DHR confirmed that historically adjustments had been effected as percentages. She indicated that the new salary for



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the Corporation Counsel, based on the PIG's recommendations, would be roughly \$164,785, an increase of about \$10,000.

Commissioner Tajiri then asked if the additional 3% added to the Corporation Counsel's salary would be additive or compounded with the 3.5% across-the-board. Ms. Miyahara indicated that DHR would take the Commission's direction on that. Commissioner Tajiri, on behalf of the PIG, indicated the additional 3% would be compounding. As a result, Ms. Miyahara calculated a new Corporation Counsel salary of \$164,947. The adjusted Prosecuting Attorney's salary, on the other hand, would be \$169,880, meaning a differential would persist.

Chair Sakamoto inquired about the thinking that led the PIG to arrive at its 3.5% across-the-board recommendation. Vice-Chair Tamamoto stated that the PIG tried to stay close to collective bargaining increases and increases from previous years. He noted that the PIG was not able to access certain data on previous years' collective bargaining dollar amount increases because the data is managed by the Department of Information Technology and is not readily available. Commissioner Tajiri stated that the PIG had, in particular, looked to the Unit 13 excluded managers July 1, 2018 increase of 2%, as well as that group's WRP adjustments. The PIG considered a range of 2-5% but based their recommendations on that data.

Director Kubo approached and stated that the July 1, 2017 increase for the Unit 13 excluded managers was 2%, but the July 1, 2018 increase would be 2.25%. In response, Commissioner Tajiri stated that the information submitted to the Commission (Attachment H of D-68(18)) indicated an increase of 2%. Director Kubo stated that the figure in the chart was an error. Commissioner Tajiri stated that the PIG's recommendation was based on the information they had at the time of their meetings.

Commissioner Yuen asked if there was consideration given to catching up on inversions. Vice-Chair Tamamoto stated that the PIG had posed the question of whether it was worth inflating the City's budget based on 15 employees with an average tenure of 30+ years. Because these employees are few in number relative to the City work force and close to retirement, the PIG felt that it would not make sense to make major policy changes for the sake of addressing these inversions.

Commissioner Tajiri asked whether the Chair would be willing to convene an Executive Session in order to determine whether, owing to the erroneous information it had based its recommendation on, the PIG could adjust its recommendation or whether a new PIG would be needed to address the corrected information. COR Deputy Molly Stebbins, the Commission's Counsel, stated that she felt she could answer the question in open session. She suggested that in light of the new information and in a subsequent meeting, when the Commission engages in discussion and deliberation, any of the commissioners could bring forward a recommendation to modify the proposal. Commissioner Tajiri then asked if the Commission could take a short recess for the PIG members to meet. Ms. Stebbins suggested that the Commission could go into Executive Session and asked if the Chair had a script available with the appropriate language. Commissioner Tajiri asked if a recess could be called for the PIG to meet or if the PIG was already dissolved,

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having given its recommendation. Amy Kondo, COR's Counseling and Drafting Division Head, approached and stated the Department's belief that it would be permissible for a recess to be taken and for the PIG to meet. Vice Chair-Tamamoto then asked the Chair if the Commission could take a short recess so that the PIG could meet. He made a motion to this effect, seconded by Commissioner Tajiri. With the six commissioners unanimously in favor, the Commission took a recess at 2:02 p.m.

### **RECONVENE**

Chair Sakamoto called the meeting back to order at 2:06 p.m.

Vice-Chair Tamamoto stated that, in light of the corrected information it received, the PIG had decided to amend its recommendation such that their recommendation for an across-the-board increase would now be 4%, as opposed to 3.5%. In addition, the PIG would continue to recommend an additional 3% increase to the salary of the Corporation Counsel, but this increase would not be compounding. Therefore, the total recommended adjustment to the Corporation Counsel's salary would be a 7% increase.

Doing the calculations, Commissioner Yuen noted that the resulting Corporation Counsel salary would be approximately \$165,559, a dollar increase of roughly \$10,830. In response to a question from Commissioner Tajiri, Denise Miyahara of DHR stated the new differential between the recommended salaries of the Corporation Counsel and Prosecuting Attorney would be approximately \$5,142. Ms. Miyahara indicated that DHR would take their lead from the Commission as far as whether the additional 3% for the Corporation Counsel would be compounded or not. Commissioner Tajiri noted that the PIG's initial recommendation had been based on compounding. Vice-Chair Tamamoto clarified that the PIG's intention was that the additional increase be non-compounding. In response to a question from Chair Sakamoto, Ms. Miyahara stated that, based on the PIG's recommendations, the gap between the salaries of the Corporation Counsel and Prosecuting Attorney would be \$5,142 in Fiscal Year 2019, versus \$9,408 in Fiscal Year 2018.

Vice-Chair Tamamoto noted that the PIG had looked at whether the responsibilities of the two offices were equivalent. The Prosecuting Attorney is an elected position, whereas the Corporation Counsel is appointed. Despite similar credentials, their responsibilities are quite different; one more oriented towards criminal law while the other advises and represents the City and County. The Corporation Counsel agreed but added that COR does civil litigation. Seeing no further questions from the other commissioners, Vice-Chair Tamamoto stressed the importance of the City Administration, including DHR, providing complete and accurate information to the Commission so as to inform its recommendations. If there are errors, it is important that the Commission be notified in advance. DHR Director Kubo apologized for the error and Chair Sakamoto thanked the PIG for its work.

In response to a question from Commissioner Tajiri, COR Deputy Molly Stebbins stated that the Commission did not need a motion to accept the PIG's recommendation because there would be no decision-making in the current meeting. The next scheduled

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meeting would be for a Public Hearing, followed by agendized discussion and decision-making on the PIG's recommendation at the Commission's fourth and final meeting.

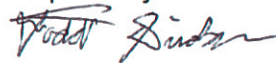
**7. SCHEDULING OF NEXT MEETING (PUBLIC HEARING)**

Chair Sakamoto announced that the next meeting would be a Public Hearing and would be held on Tuesday, March 27, 2018 at 1:30 p.m. in the Council's Committee Room.

**8. ADJOURNMENT**

There being no further business, Commissioner Peters-Nguyen moved to adjourn the meeting, and Commissioner Tajiri seconded the motion. Hearing no objections from the six Commissioners present, the meeting adjourned at 2:15 p.m.

Respectfully submitted,



Todd Swisher  
Legislative Analyst